

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA

Financial Statements
With Accountant's Review/Attestation report
As of and for the Years Ended December 31, 2005 and 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/26/06

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA

**Annual Financial Statements
With Accountant's Review Report
As of and for the Years Ended
December 31, 2005 and 2004**

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INDEPENDENT ACCOUNTANT'S REPORT

June 30, 2006

To Mike Zito
Port Allen City Marshal
Port Allen, Louisiana

I have reviewed the accompanying financial statements of the

PORT ALLEN CITY MARSHAL MIKE ZITO

a component of the City of Port Allen, as of and for the years ended December 31, 2005 and 2004, which collectively comprise the Marshal's basic financial statements as listed in the table of contents. These financial statements are the representation of the management of the Port Allen City Marshal.

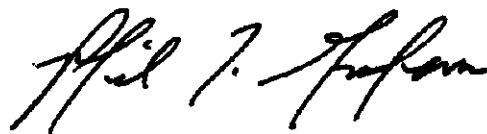
My review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Port Allen City Marshal personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, I have issued a report dated June 30, 2006, on the results of my agreed-upon procedures.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedule 1 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.

Management's discussion and analysis, supplementary information required by the Governmental Accounting Standards Board, is not a required part of the basic financial statements. The Port Allen City Marshal of West Baton Rouge Parish has not presented this information as part of the financial report for the years ended December 31, 2005 and 2004.



**ANNUAL FINANCIAL STATEMENTS
(OVERVIEW)**

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Cash & cash equivalents	\$ 141,968	\$ 97,158
Revenue receivable	12,297	11,076
Capital Assets (Net of Accumulated Depreciation)	<u>24,292</u>	<u>25,960</u>
<u>Total Assets</u>	<u>\$ 178,557</u>	<u>\$ 134,194</u>
 <u>Fund Equity:</u>		
Investment in general fixed assets	24,292	25,960
Fund balances (unreserved)	<u>154,265</u>	<u>108,234</u>
 <u>Total Liabilities and Fund Equity</u>	 <u>\$178,557</u>	 <u>\$ 134,194</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

<u>EXPENDITURES</u>	<u>2005</u>	<u>2004</u>
General governmental:		
Deputy Marshal fees paid	\$ 88,013	\$ 59,381
Other salaries	18,925	15,188
Auto expense	12,858	6,750
Repairs and maintenance	65	5,831
Seminars and conventions	3,652	5,580
Payroll taxes and worker compensation	1,578	630
Training	710	100
Uniforms	378	143
Depreciation	4,379	3,961
Office expense and supplies:		
Office expense	1,195	587
Insurance	994	0
Supplies	3,031	2,765
Dues and subscriptions	450	215
Legal and accounting	1,755	6,050
Miscellaneous	958	18
Total Expenditures	138,941	107,199
<u>REVENUES</u>		
City court fines and off-duty reimbursement	178,546	117,175
Witness fees	1,165	0
Grant funds	1,730	0
Interest income	1,863	634
Total Revenues	<u>183,304</u>	<u>117,809</u>
<u>CHANGE IN NET ASSETS</u>	<u>44,363</u>	<u>\$ 10,610</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>134,194</u>	<u>123,584</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 178,557</u>	<u>\$ 134,194</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
BALANCE SHEET GOVERNMENTAL FUNDS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Cash & cash equivalents	\$ 141,968	\$ 97,158
Revenue receivable	<u>12,297</u>	<u>11,076</u>
 <u>Total Assets</u>	 <u>\$ 154,265</u>	 <u>\$ 108,234</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
<u>Fund Equity:</u>		
Fund Balances (unreserved)	<u>154,265</u>	<u>108,234</u>
 <u>Total Liabilities</u> <u>and Fund Equity</u>	 <u>\$ 154,265</u>	 <u>\$ 108,234</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

Fund Balance at December 31, 2004—Governmental Funds (Statement C)		\$108,234
Cost of Capital Assets at December 31, 2004	33,510	
Less Accumulated Depreciation as of December 31, 2004	(7,550)	<u>25,960</u>
Net Assets at December 31, 2004		<u>\$134,194</u>
 Fund Balance at December 31, 2005—Governmental Funds (Statement C)		 \$154,265
Cost of Capital Assets at December 31, 2005	\$ 36,221	
Less Accumulated Depreciation as of December 31, 2005	(11,929)	<u>24,292</u>
Net Assets at December 31, 2005		<u>\$178,557</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUND TYPE-GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

<u>REVENUES</u>	<u>2005</u>	<u>2004</u>
City court fines and off-duty reimbursement	\$ 178,546	\$ 117,175
Witness fees	1,165	0
Grant funds	1,730	0
Interest income	<u>1,863</u>	<u>634</u>
Total Revenues	<u>183,304</u>	<u>117,809</u>
 <u>EXPENDITURES</u>		
General governmental:		
Deputy Marshal fees paid	88,013	59,381
Other salaries	18,925	15,188
Auto expense	12,858	6,750
Repairs and maintenance	65	5,831
Seminars and conventions	3,652	5,580
Payroll taxes and worker compensation	1,578	630
Training	710	100
Uniforms	378	143
Capital outlay	2,711	842
Office expense and supplies:		
Office expense	1,195	587
Insurance	994	2,765
Supplies	3,031	0
Dues and subscriptions	450	215
Legal and accounting	1,755	6,050
Miscellaneous	<u>958</u>	<u>18</u>
Total Expenditures	137,273	104,080
 <u>CHANGE IN FUND BALANCE</u>	<u>46,031</u>	<u>13,729</u>
 <u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>108,234</u>	<u>94,505</u>
 <u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 154,265</u>	<u>\$ 108,234</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City Marshal is a component unit of the City of Port Allen, Port Allen, Louisiana. The City Marshal's office receives its revenue from City Court fines. The City Marshal's portion of these fines are received and deposited monthly. The accompanying financial statements present information only on the City Marshal component unit fund and do not present information on the City of Port Allen or any of the other governmental units that comprise the City of Port Allen.

B. Basis of Presentation

The accompanying financial statements of the City Marshal Mike Zito, Port Allen, Louisiana, have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles.

C. Basic Financial Statements - Fund Financial Statements

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments. Certain significant changes in the Statement include financial statements prepared using full accrual accounting for all of the City Marshal's activities which has been implemented and a management discussion and analysis (MD&A) section which has not been presented.

Fund Accounting

The accounts of the City Marshal of Port Allen are organized on the basis of fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts. Fund financial reporting classify primary activities as either governmental or business type. These funds are used to report on the Marshal's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The City Marshal of Port Allen uses the following generic fund types in its activities:

Governmental Fund Types

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

General Fund – the general operating fund of the Marshal's office, accounts for all financial resources of the City Marshal of Port Allen that are not required to be accounted for in a special revenue fund (if any).

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement, focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible with the current period or soon enough thereafter to pay liabilities within the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing time deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Under state law, the Marshal may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or national banks having their principle offices in Louisiana. Investments are stated at cost plus interest if the interest is reinvested. Investments include those funds held in the Louisiana Asset Management Pool.

At December 31, 2005 and 2004 City Marshal Mike Zito has cash and cash equivalents totaling:

	<u>2005</u>	<u>2004</u>
Demand deposits	\$ 68,028	\$ 47,660
Investments	<u>78,711</u>	<u>51,847</u>
	<u>\$146,739</u>	<u>\$ 99,507</u>

These deposits are stated at cost, which approximates market. The demand deposit bank balances of \$68,028 and \$47,660 were covered by FDIC insurance throughout the periods. The remaining balances of \$78,711 and \$51,847 were held in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2005 and 2004 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33-2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States Corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

The dollar weighted average portfolio of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

F. Capital Assets

Capital assets are recorded at historical costs at the time purchased or constructed. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5-10
Vehicles	5-15
Equipment	5-20

G. Vacation and Sick Leave

Currently all Deputy Marshal services and secretarial services are provided on a contract type basis with fees paid to the individuals when services are provided. The Marshal's office does not have any employees under this arrangement and consequently does not have any vacation or sick leave obligation.

H. Long-Term Obligations

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principle and interest payments for long-term obligations are recognized in the General Fund when due. There were no long-term obligations as of December 31, 2005 or 2004.

I. Fund Equity

There are no reserved or designated amounts in fund equity.

J. Budget Practices

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (CONTINUED)

The City Marshal is required by law to adopt annual budgets for the General Fund. These budgets are presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles in the United States of America.

NOTE #2: CHANGES IN CAPITAL ASSETS

Balance at January 1, 2004	\$ 55,941
Additions	3,552
Deductions	<u>(23,273)</u>
Capital Asset Balance at December 31, 2005	36,220
Less Accumulated Depreciation at December 31, 2005	<u>(11,928)</u>
Net Capital Assets at December 31, 2005	<u>\$ 24,292</u>

NOTE #3: LITIGATION AND CLAIMS

There is no litigation pending against City Marshal Mike Zito, Port Allen, Louisiana, at December 31, 2005 or 2004.

NOTE #4: RECEIVABLES

The receivables represent court fines and off-duty reimbursements due from the city as of December 31, 2005 and 2004. The total amount of these fines are considered collectible; therefore, no provisions have been made for bad debt.

NOTE #5: RELATED PARTY TRANSACTIONS

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council \$20,503 and \$15,818 for the clerical salary and related benefit expenses during 2005 and 2004 respectively. The City Marshal's salary is paid by the City of Port Allen. In addition to salary, the Marshal received \$9,000 and \$6,750 auto allowance during the years ended December 31, 2005 and 2004 respectively, which is paid from the City Marshal's budget. The City of Port Allen provides office facilities for the City Marshal.

NOTE #6: USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

NOTE #6: USE OF ESTIMATES (CONTINUED)

amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

NOTE #7: RISK MANAGEMENT

The City Marshal's office is exposed to various risks for which the City of Port Allen carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE #8: TERM OF OFFICE

Mike Zito is the current City Marshal. Marshal Zito's term began on September 28, 2004. Amy Terrell was appointed as City Marshal from July 1, 2004 to September 27, 2004 to fill the unexpired term of Mike Cazes who resigned after he was elected Sheriff of West Baton Rouge Parish.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
BUDGET COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable Unfavorable)</u>
<u>REVENUES</u>				
City court fines and off-duty reimbursement	\$ 200,000	\$ 200,000	\$ 178,546	\$(21,454)
Witness fees	0	0	1,165	1,165
Grant funds	0	0	1,730	1,730
Interest income	<u>2,000</u>	<u>2,000</u>	<u>1,863</u>	<u>(137)</u>
	<u>\$ 202,000</u>	<u>\$ 202,000</u>	<u>\$ 183,304</u>	<u>\$(18,696)</u>
<u>EXPENDITURES</u>				
General governmental:				
Deputy Marshal fees paid	90,000	90,000	88,013	1,987
Other salaries	22,000	22,000	18,925	3,075
Auto expense	14,000	14,000	12,858	1,142
Repairs and maintenance	1,000	1,000	65	935
Seminars and conventions	6,000	6,000	3,652	2,348
Payroll taxes	1,000	1,000	1,578	(1,578)
Training	1,000	1,000	710	290
Uniforms	0	0	378	622
Office expense and supplies:				
Office expense	1,500	1,500	1,195	305
Insurance	1,000	1,000	994	6
Supplies	4,000	4,000	3,031	969
Dues and subscriptions	500	500	450	50
Legal and accounting	2,000	2,000	1,755	245
Miscellaneous	1,000	1,000	958	42
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>2,711</u>	<u>1,289</u>
Total Expenditures	149,000	149,000	137,273	11,727
<u>EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES</u>	<u>53,000</u>	<u>53,000</u>	<u>46,031</u>	<u>(6,969)</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>108,234</u>	<u>108,234</u>	<u>108,234</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 161,234</u>	<u>\$ 161,234</u>	<u>\$ 154,265</u>	<u>\$ (6,969)</u>

See Accountant's Report

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
BUDGET COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable Unfavorable)</u>
<u>REVENUES</u>				
City court fines and off-duty reimbursement	\$ 150,000	\$ 150,000	\$ 117,175	\$(32,825)
Interest income	<u>500</u>	<u>500</u>	<u>634</u>	<u>134</u>
	<u>\$ 150,500</u>	<u>\$ 150,500</u>	<u>\$ 117,809</u>	<u>\$(32,691)</u>
<u>EXPENDITURES</u>				
General governmental:				
Deputy Marshal fees paid	80,000	80,000	59,381	20,619
Other salaries	15,000	15,000	15,188	(188)
Auto expense	6,000	6,000	6,750	(750)
Drug awareness programs	500	500	0	500
Repairs and maintenance	9,000	9,000	5,831	3,169
Seminars and conventions	10,000	10,000	5,580	4,420
Payroll taxes	1,200	1,200	630	570
Training	0	0	100	(100)
Uniforms	0	0	143	(143)
Office expense and supplies:				
Office expense	500	500	587	(87)
Supplies	5,000	5,000	2,765	2,235
Dues and subscriptions	500	500	215	285
Legal and accounting	3,000	3,000	6,050	(3,050)
Miscellaneous	2,000	2,000	18	1,982
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>842</u>	<u>9,158</u>
Total Expenditures	142,700	142,700	104,080	38,620
<u>EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES</u>	<u>7,800</u>	<u>7,800</u>	<u>13,729</u>	<u>5,929</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>94,505</u>	<u>94,505</u>	<u>94,505</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 102,305</u>	<u>\$ 102,305</u>	<u>\$ 108,234</u>	<u>\$ 5,929</u>

See Accountant's Report

PHIL T. GRAHAM

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June 30, 2006

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Port Allen City Marshal
Mike Zito
Port Allen, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Port Allen City Marshal Mike Zito and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Port Allen City Marshal Mike Zito's compliance with certain laws and regulations during and for the years ended December 31, 2005 and 2004, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no purchases exceeding the limit.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS- 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Port Allen City Marshal
Mike Zito
June 30, 2006

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

The budget and all amendments were obtained.

6. Trace the budget adoption and amendments to the minute book.

Budget was adopted and published in the required publication.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or expenditures exceed budgeted amounts 5% or more.

In 2004, actual revenues were under budget by 9%, however, total actual expenses were also under budget by 7%. Therefore, the actual profit exceeded the budgeted profit by 4%. In the 2005, the actual revenues were under budget by 9%, however, the actual total expenses were also under budget by 8%. There was an excess in revenues over expenditures but it was 13% less than the budgeted excess of revenues over expenditures.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee:

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Determine if payments were properly coded to the correct fund and general ledger account:

Port Allen City Marshal
Mike Zito
June 30, 2006

All items selected were properly coded.

- c. Determine whether payments received approval from proper authorities:

Inspection of documentation supporting each of the six selected disbursements did not indicate approval, however, the checks are normally signed by Mike Zito.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Meetings are not held by the Port Allen City Marshal's office.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

I inspected listings of bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

As described in note #1 G, there are no employees, only contracted labor. However, I inspected the records for the payments made to the subcontractors for the year and noted no instances which would indicate payments that would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

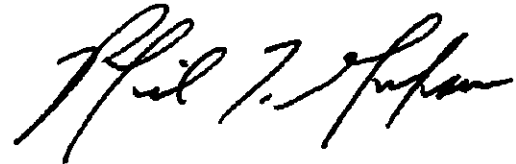
12. I reviewed any prior-year suggestions, recommendations and/or comments to determine the extent to which such matters have been resolved.

There were no prior year comments or recommendations.

I was not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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This report is intended solely for the use of Port Allen City Marshal Mike Zito's office and of the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "Phil T. Hoffman".

LOUISIANA ATTESTATION QUESTIONNAIRE

June 30, 2006

Phil T. Graham, CPA
7732 Goodwood Blvd, Suite F
Baton Rouge, LA 70806

In connection with your review of our financial statements as of December 31, 2005 and 2004 and for the two years then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 30, 2006.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42-1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No [X]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []


Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 _____ City Marshal 6/30/2006 _____ Date

_____ Date